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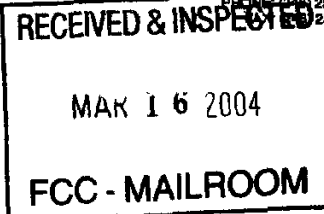
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DATE March 16, 2004

COVER SHEET

VIA FAX ONLY

TO: **REQUEST FOR REVIEW FOR FILING**
Federal Communications Commission – (202) 418-0187

FROM: **Roy H. Henley [(517) 374-8864]**

RE: **Re: In the Matter of Request for Review by the Morley-Stanwood Community Schools,
Morley, Michigan of Decision of Universal Service Administrator**
FCC Docket No: 02-6
Contact Name: Roy H. Henley
Phone Number: (517) 484-8000
E-Mail Address: rhenley@tmnlaw.com

NUMBER OF PAGES TO FOLLOW: 23

PLEASE NOTIFY CARRIE AT (517) 374-8826 IF ALL PAGES ARE NOT RECEIVED

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THANK YOU.

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IN THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of Request for

FCC Docket No. 02-6

Review by the Morley-Stanwood

Community Schools, Morley, Michigan

of Decision of Universal Service Administrator.

Roy H. Henley (P39921)

Thrun Law Firm, P.C.

Attorneys for Appellant Morley-Stanwood

Community Schools

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MAR 16 2004

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THEUN, MAATSCH AND NORDBERG, P.C.

MORLEY-STANWOOD COMMUNITY SCHOOLS'
REQUEST FOR REVIEW

**STATEMENT OF APPELLANT'S INTEREST IN
THE MATTER PRESENTED FOR REVIEW**

The Morley-Stanwood Community Schools ("School District" or "District") seeks review of a decision by the Schools and Library Division ("SLD") of the Universal Service Administrative Company, denying the School District's 2003 funding year application for discounted services under the schools and libraries universal service mechanism due to the District's alleged violation of the Commission's requirement to appropriately certify FCC Form 470 pursuant to 47 CFR § 54.504(b).

STATEMENT OF FACTS

This appeal concerns the School District's alleged failure to properly certify Form 470 in support of its application for Funding Year 2003 requests for support under the schools and libraries universal service mechanism. This request for review concerns the SLD's January 16, 2004 denial in full of Funding Request Nos. 1044741 and 1044957. In essence, the SLD's denial of the funding request was based upon:

- Lack of certification on Form 470.
- Lack of additional information requested on Form 471.

(Exh. 1).

Review of the relevant documents reveals that the School District submitted to the SLD all necessary information to substantially fund discounted services. Moreover, a preponderance of the evidence reveals that a certified copy of Form 470 was forwarded within the required time period. For clarity's sake, facts regarding those two issues will be separately discussed.

I. RULE 470 SUBMISSION

The School District submitted Form 470 in actual or substantial compliance with the Commission's rules and requests. SLD's January 16, 2004 letter states that Form 470 certifications were required to be

post-marked no later than February 6, 2003 to be valid and establish bidding for services. (Exh. 1). The School District's records reveal that Form 470 was printed, signed, and certified by the School District's former Technology Director, Steven Gilbert, on February 3, 2003. (Exh. 2).

By letter of May 20, 2003, the SLD informed Mr. Gilbert that problems existed with the certification of Form 470. (Exh. 3, ¶ 4). Mr. Gilbert's reply letter, however, stated that SLD was mistaken regarding this error, and provided an additional copy of Form 470. Mr. Gilbert's letter stated:

Form 470 Application number 772450000439265 was certified and sent in after filling out the form on-line. A copy of the form is attached with this letter.

(Exh. 4).

The School District asserts it was in compliance with both the letter and spirit of Form 470 requirements. Mishandling of the certified document likely occurred at some point in transmission.

II. FORM 471 INFORMATION

The SLD's January 16, 2004 letter makes brief reference to inadequate information received on Form 471. The letter states only that:

During the review of your Form 471 application, SLD sought additional information from you and notified you that this information needed to be provided within 7 days. You did not provide this information within 7 days, or the information that you provided was insufficient to complete your Form 471.

(Exh. 1).

The SLD's May 20, 2003 letter, however, indicates only that Form 471 could not be validated to justify the full amount of discount claimed. (Exh. 3). Specifically, the Form 471 had only validated a discount percentage of 70 percent, rather than 80 percent. No indication was given that Form 471 was insufficient to support any discount.

SLD also received sufficient food service data to calculate the discount percentage. (Exh. 4). Mr. Gilbert forwarded backup documentation for that data to SLD. (*Id.*).

The School District does not contest the reduction in the claimed discount percentage. It seeks only that discount percentage validated by SLD.

QUESTION PRESENTED FOR REVIEW

Q. WHETHER THE MORLEY-STANWOOD COMMUNITY SCHOOLS' TIMELY PRESENTATION OF ALL INFORMATION AND DOCUMENTATION NECESSARY TO SUPPORT ITS APPLICATION FOR DISCOUNTED SERVICES FOR FUNDING YEAR 2003 REQUIRES REVERSAL OF SLD'S DENIAL, AND REMAND FOR FURTHER REVIEW AND FUNDING?

STATEMENT OF RELIEF SOUGHT

THE SLD'S DENIAL OF THE SCHOOL DISTRICT'S APPLICATION FOR DISCOUNTED SERVICES THROUGH THE UNIVERSAL SERVICE MECHANISM SHOULD BE REVERSED AND REMANDED FOR FUNDING, AS THE SCHOOL DISTRICT ACTUALLY OR SUBSTANTIALLY COMPLIED WITH ALL INFORMATION REQUESTS.

Explanation of Statutory and Regulatory Provisions and Authority Through Which Relief Is Sought.

1. Standard of Review

The present request for review is considered *de novo*. 47 CFR § 54.723.

2. Application of Standard

The School District's actual or substantial compliance with SLD's documentation requirements reveals that the denial of discounted services should be reversed, and the matter remanded to SLD for funding. One of the principles to be promoted by the universal service support mechanism is that:

Elementary and secondary schools and classrooms, healthcare providers, and libraries should have access to advanced telecommunication services . . .

47 USC § 254(b)(7). The School District acknowledges that, to meet this goal, the SLD expects compliance with administrative measures to ensure the prompt resolution of applications. See *In re Marshall Co. Sch. Dist.*, 18 FCC Rcd. 4510 (2003).

By the same token, however, the Commission has within the last several years increasingly recognized that deserving recipients of universal service discounts should not be denied benefits due to minor, technical noncompliance with complex administrative procedures. In *In re Information Technology Dep't, State of North Dakota*, 18 FCC Rcd. 21521 (2003), a case which involved missing certain application processing deadlines by up to 22 days, two dissenting commissioners stated in relevant part that:

We are troubled that the complexity and rigidity of our application process sometimes prevents eligible and deserving children from experiencing the manifold opportunities that this program allows. This is surely the case with this application filed on behalf of the students of North Dakota. *The State of North Dakota filed an electronic application for E-Rate discounts within the filing window, but failed to mail a signed certification until after the window closed. This oversight should not be allowed to exclude the children of North Dakota from access to the necessary tools of the Information Age.*

In April of this year, we began taking steps toward improving this already excellent program by initiating a rulemaking that seeks to simplify and streamline the operation of the Schools and Libraries program. In response to our call for input, *many have said that the process is just too complicated and we should work to streamline it and make it more user-friendly.* We must balance our need to maintain our keen oversight over this program with efforts to improve access to this program for eligible participants.

Id. (Emphasis added).

That expression of dismay concerning potential administrative traps for good faith applicants had, by that time, already been at least partially addressed by the "substantial compliance" doctrine announced in *In re Naperville Comm. Unit Sch. Dist.* 203, 166 FCC Rcd. 5032 (2001). There, the Commission

expressly acknowledged that, consistently with 47 USC § 254, its "primary objective is to ensure that schools and libraries benefit from the schools and libraries universal support mechanism as contemplated by the statute." *Id.* at ¶ 9. To reach that goal, the Commission acknowledged that "we must balance the need to minimize administrative costs, while expediting fair and efficient review of applications." *Id.*

Balancing the diligence and good faith of the applicant with considerations of administrative efficiency, the Commission found it inappropriate for the SLD to fail to consider applications where: (1) circumstances indicate that the applicant could have been confused; (2) the admitted information could be easily discerned by SLD through examination of other information included in the application; and (3) the application was otherwise substantially complete. *Id.* at ¶¶ 14-16.

The Commission has since repeatedly applied *In re Naperville Comm. Sch. Dist.* 203, *supra*. Since the time of its release, the Commission has applied the "substantial compliance" factors as a "totality of the circumstances" test. *In re Marmot Library Network, Inc.*, 17 FCC Rcd. 15161 (2002) at ¶ 6. The factor which appears to be given greatest emphasis in this test, however, is whether the application was substantially complete. *Id.*, see also *In re Western New York Reg'l Info. Center*, 18 FCC Rcd. 9692 (2003), at ¶¶ 6-9 (inadvertently checking "consortium" rather than "school district" on Form 471 insufficient to violate minimum processing standards).¹

The present request for review involves not so much a deficit in information submitted to the FCC, but rather an alleged imperfection in the manner in which such complete information was presented. Although Form 470 certification is required by 47 CFR 54.504(b)(3), any failure to so certify does not affect the completeness of the substantive information presented to the SLD for review. Rather, it is a

¹The "substantial compliance" test has been primarily applied to defects in Form 471. The test, however, appears equally applicable to Rule 470.

ministerial act which ultimately must be accomplished to acknowledge accountability for the information provided.

More importantly, however, no evidence exists that the School District failed to comply with this directive. The School District's deadline for submission of a certified Form 470 was February 6, 2003. (Exh. 1). The copy of certified Form 470 provided to SLD reveals that the form was printed on February 3, 2003, and signed the same day. (Exh. 2). Former School District Technology Director Steven Gilbert's later letter to SLD further strongly suggests that the certified form was promptly forwarded to SLD immediately after being printed and executed. (Exh. 4). What may have happened to the form following mailing is unknown to the School District. The children attending the School District should not, however, be penalized for the failure of school officials to send the document via certified mail, keep a copy of the post-marked envelope, or otherwise practice defensive document submission.

This leaves only minor problems with the processing of Form 471. On March 18, 2003, the School District received acknowledgment of receipt and successful data entry of FCC Form 471. (Exh. 5). On May 20, 2003, SLD wrote to advise that Form 471 had been validated for discount of 70 percent, rather than 80 percent. (Exh. 3). Additionally, certain backup documentation was requested, which Mr. Gilbert shortly thereafter provided. (See *Id.*, Exh. 4). Again, the School District does not contest the reduced validation percentage. Further, to the extent additional documentation was sought, it concerned verification of information provided and not the absence of information. The information sought was forwarded within a reasonable time.

Based upon the foregoing, under the totality of circumstances, the SLD should not have rejected the School District's application. SLD's January 16, 2004 decision on appeal should therefore be reversed, and the matter remanded for further processing and funding.

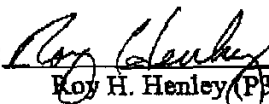
CONCLUSION

For the reasons stated, the January 16, 2004 decision by the SLD denying the School District's 2003 funding year application for discounted services under the schools and libraries universal service mechanism should be reversed, and the matter remanded to SLD for further processing and funding.

Respectfully submitted,

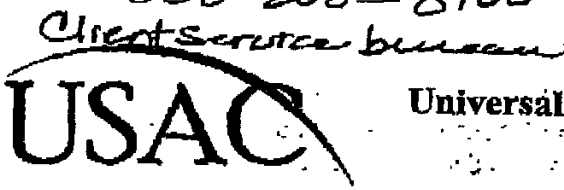
THRUN LAW FIRM, P.C.
Attorneys for Appellant, Morley-Stanwood
Community Schools

Dated: March 16, 2004

By: 
Roy H. Henley (P39921)

Business Address:
501 S. Capitol Avenue, Suite 500
P.O. Box 40699
Lansing, Michigan 48901
Telephone: (517) 484-8000

THRUN, MAATSCH AND NORDBERG, P.C.



Universal Service Administrative Company
Schools & Libraries Division

*In pull
up entity #*

Administrator's Decision on Appeal - Funding Year 2003-2004

January 16, 2004

Steve Gilbert
Morley Stanwood Community Schools
4700 Northland Drive
Morley, MI 49336

Re: Billed Entity Number: 131496
471 Application Number: 378662
Funding Request Number(s): 1044741, 1044957
Your Correspondence Dated: August 7, 2003

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year 2003 Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 1044741, 1044957
Decision on Appeal: Denied in full
Explanation:

- You are appealing SLD's decision that you did not provide sufficient documentation to determine the eligibility for the above-mentioned FRNs. You provided in your appeal letter the information/documentation that PIA had initially requested.
- After thorough review and investigation of all relevant facts, SLD determined that you did not provide any documentation to support these funding requests. In particular, the referenced Form 470, number 772450000439265, was not certified. According to program rules, a Funding Year 2003 Form 470 must be certified on or before the Funding Year 2003 filing deadline of February 6, 2003, in order to ensure that only eligible entities receive support under the universal support discount mechanism. During the Program Integrity Assurance (PIA) review process of the Form 471, you were contacted and informed that the Form 470 was

Box 125 -

EXHIBIT 1

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TX/RX NO 63921

not certified, which is a violation of the rules of this support mechanism. You were also asked if the referenced Form 470 was the establishing Form 470 used to comply with the competitive bidding requirements in order to request support for services in your application.

- According to SLD records, PIA made successful contact with you using your preferred mode of contact indicated on your Form 471 (e-mail). PIA also made successful contact via fax and you were informed of the 7-day timeframe for submitting the additional documentation to the SLD. As of the date of your Funding Commitment Decision Letter, SLD did not receive a response to the request for additional information. Therefore, SLD was unable to determine if the referenced Form 470 was certified. In the appeal letter, you provided SLD additional information in support of this request on appeal. The SLD will not accept new information during the appeals process because you have not demonstrated that the SLD was in error in its initial decision. Consequently, the appeal is denied.
- Program rules for Funding Year 2003 require that Form 470 Certifications be postmarked no later than February 6, 2003 in order for the Form 470 to be valid and establish the bidding for the services. Since our records indicated that your Form 470 Certification did not meet this requirement, it cannot be used to establish the bidding for the service. During initial review, you indicated that this was the establishing Form 470. Consequently, your appeal is denied for referencing a Form 470 that was not certified before the close of the filing window.
- SLD reviews Form 471 applications and makes funding commitment decisions in compliance with FCC rules. See 47 C.F.R. sec. 54.500 et seq. To conduct these reviews, SLD has put in place administrative measures to ensure the prompt resolution of applications. See *In re Marshall County School District*, CC Docket 96-45, DA 03-764, para. 6 (rel. Mar. 13, 2003). One such measure is that applicants are required to respond to SLD's requests for the additional information necessary to complete their application within 7 days of being contacted. *Id.*; SLD Website, Reference Area, "Deadline for Information Requests," <http://www.sl.universalservice.org/reference/deadline.asp> This procedure is necessary to prevent undue delays during the application review process. See *In re Marshall County School District*, para. 6. If applicants do not respond within this time period, SLD reviews the application based on the information before it.
- During the review of your Form 471 application, SLD sought additional information from you and notified you that this information needed to be provided within 7 days. You did not provide this information within 7 days, or the information that you provided was insufficient to complete your Form 471.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, New Jersey 07981
Visit us online at: <http://www.sl.universal/service.org>

01/29/2004 THU 07:45 [TX/RX NO 63921]

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17. Billed Entities

Entity Name	Entity Number
MORLEY-STANWOOD COMM SCH DIST	131496

18. Ineligible Entities

Ineligible Participating Entity	Entity Number	Area Code	Prefix
---------------------------------	---------------	-----------	--------

Block 5: Certification**19. The applicant includes: (Check one or both)**

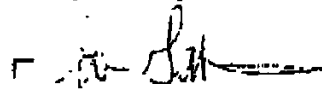
- a. ☒ schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☐ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities.

20. All of the individual schools, libraries, and library consortia receiving services under this application are covered by:

- a. ☒ individual technology plans for using the services requested in the application
- b. ☐ higher-level technology plans for using the services requested in the application
- c. ☐ no technology plan needed; application requests basic local and long distance telephone service only.

21. Status of technology plans (if representing multiple entities with mixed technology plan status, check both a and b):

- a. ☒ technology plan(s) has/have been approved by a state or other authorized body.
- b. ☐ technology plan(s) will be approved by a state or other authorized body.
- c. ☐ no technology plan needed; application requests basic local and long distance telephone service only.

22. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.**23. ☒ I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively.****24. ☒ I certify that I am authorized to submit this request on behalf of the above-named entities, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.**25. Signature of authorized person: 

26. Date (mm/dd/yyyy): Feb. 3, 2003

27. Printed name of authorized person: Steve Gilbert

28. Title or position of authorized person: Technology Director

29. Telephone number of authorized person: (231) 856 - 4444 ext. 315

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80 South Jefferson Road
Whippany, New Jersey 07981
Fax: 973-599-6522

Universal Service Administrative Company
Schools & Libraries Division

FAX TRANSMISSION COVER SHEET

To: STEVEN GILBERT
Fax: 12318564180
Subject: Fwd: E-Rate Application #378662
From: Loren Messina (PIA Team1)
Date: May 20, 2003
Time: 7:35:30 AM

YOU SHOULD RECEIVE 3 PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL THE CONTACT SPECIFIED BELOW.

Date: 05/20/2003 07:18 am (Tuesday)
Subject: E-Rate Application #378662

You were recently sent a written request for additional information needed by the Program Integrity Assurance (PIA) team to review your Form 471 Application to ensure that it is in compliance with the rules of the federal universal service program. We requested that the information be provided within seven calendar days. To date, none of the requested information has been received. The information needed to complete the review is listed below.

- 1) Based on your documentation FRN1044741, the documentation does not indicate the number of lines for which funding is being requested. Please indicate the number of lines and the type of service (local, long distance) for which you are requesting service on this request.
- 2) For FRN 1044957, the documentation provided in the Item 21 Attachments does not support the amount you are requesting. The rules of this support mechanism require that the funding request must be supported in order to determine the eligibility of your request. Your documentation supports

Privilege and Confidentiality Notice

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EXHIBIT 3

01/29/2004 THU 07:45 [TX/RX NO 63921]

28

a charge of \$1,865.10 per month, but you requested \$ 2500 one time cost and \$1,985 per month. Please provide document to support the amount requested on your Form 471.

Any documentation provided should clearly identify any ineligible charges that were cost allocated out of your request. If you are requesting additional dollars to accommodate expected growth or increased usage, please indicate how you estimated the amount requested on the Form 471. Please provide any relevant documentation that was used to determine the charges included in this request.

If you are unable to justify the charges requested on your Form 471, the request may be reduced or denied.

3) For FRN 1044741, the Contract Award Date (2/16/2003) for the services requested is after the Application Received Date (2/6/2003) of the Form 471. The rules of this support mechanism require that in this situation, a legally binding agreement with the service provider must have been in place at the time of submission of the Form 471. Please provide a copy of the signed contract to verify the CAD you had cited or the new CAD if it has changed. Also, please indicate the process by which a legally binding agreement with the service provider existed between the period of time the Form 471 application was signed and the CAD.

4) On your original Form 471, Form 470 Application Number 772450000439265 is referenced as the establishing Form 470. This Form 470 is not certified or the Form 470 certification was postmarked after the close of the filing window on January 16th, 2003, which is a violation of the rules of this support mechanism. The rules of this support mechanism require that the Form 470 Certification be postmarked on or before the close of the filing window on January 16, 2003.

Please verify if the referenced Form 470 is the establishing Form 470 for the services requested. If the referenced Form 470 is NOT the establishing Form 470, please provide the 15-digit Form 470 Number that established the bidding for the services requested.

The establishing Form 470 is the specific Form 470, which was posted for the services requested for 28 days, and pursuant to which a contract was signed or an agreement was entered into. The establishing Form 470 could have been posted by the State, if the requested services are being purchased off of a State Master Contract.

5) Based upon review of your Form 471 application, we were not able to validate your requested discount percentage of 80% for STANWOOD ELEMENTARY SCHOOL and MORLEY-STANWOOD MIDDLE SCHOOL we could only validate a discount percentage of 70%. If you agree that this entity should be eligible for the discount percentage we could validate, please send us a written statement verifying that you accept the modification to the discount percentage. If you choose to validate your original requested discount percentage of 80%, then please provide the appropriate documentation if one of the following acceptable methods were used:

a. If the school participates in a National School Lunch Program (NSLP), please provide us a signed copy (preferably by the Principal, Vice-Principal, Superintendent, or Director of Food Services) of the Reimbursement Claim Form that the school sends to the state each month. Make sure that the following 3 items are identified:

- 1) The Entity name
- 2) The total number of students enrolled at the entity
- 3) The total number of students eligible for Free/Reduced Lunch Program for the entity

If the school district fills out an aggregate form for the school district, provide a signed letter from a school official (preferably the Superintendent) that lists the Free/Reduced information for each school in the district.

b. If the discount percentage was determined by information obtained from a survey/application, please provide the following information:

JAN-29-2004 09:03AM TO-15174840081

FROM-MORLEY STANWOOD COMMUNITY

T-993 P.023/038 F-091

a charge of \$1,865.10 per month, but you requested \$ 2500 one time cost and \$1,985 per month. Please provide document to support the amount requested on your Form 471.

Any documentation provided should clearly identify any ineligible charges that were cost allocated out of your request. If you are requesting additional dollars to accommodate expected growth or increased usage, please indicate how you estimated the amount requested on the Form 471. Please provide any relevant documentation that was used to determine the charges included in this request.

If you are unable to justify the charges requested on your Form 471, the request may be reduced or denied.

3) For FRN 1044741, the Contract Award Date (2/16/2003) for the services requested is after the Application Received Date (2/6/2003) of the Form 471. The rules of this support mechanism require that in this situation, a legally binding agreement with the service provider must have been in place at the time of submission of the Form 471. Please provide a copy of the signed contract to verify the CAD you had cited or the new CAD if it has changed. Also, please indicate the process by which a legally binding agreement with the service provider existed between the period of time the Form 471 application was signed and the CAD.

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- 1) The Entity name
- 2) The total number of students enrolled at the entity
- 3) The total number of students eligible for Free/Reduced Lunch Program for the entity

If the school district fills out an aggregate form for the school district, provide a signed letter from a school official (preferably the Superintendent) that lists the Free/Reduced information for each school in the district.

b. If the discount percentage was determined by information obtained from a survey/application, please provide the following information:

- 1) Total number of students enrolled

JAN-29-2004 08:04AM TO-15174840081

FROM-MORLEY STANWOOD COMMUNITY

T-993 P.024/038 F-081

- 3) Number of surveys/applications returned
- 4) Total number of students qualified for NSLP per the returned surveys/applications
- 5) Are the surveys/applications and results kept on file.
- 6) Provide a sample copy of a FILLED OUT SURVEY/APPLICATION with the child's personal information crossed out for confidentiality.
- 7) A signed certification that reads: "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 10b, of Block 4 (Worksheet A) of the Form 471."
- 8) This information must be in writing on school letterhead and signed by a school official (such as the Principal, Vice Principal, Superintendent, Director of Food Services).

If the discount was determined using a different method than what was identified above, please indicate the method that was used.

Please fax or e-mail the requested information to my attention. If you have any questions please feel free to contact me.

It is important that we receive all of the information requested so the PIA team can complete its review. Failure to do so may result in a reduction or denial of funding.

You are being given an additional seven calendar days to respond. If we do not receive the requested information within seven calendar days, your application will be reviewed using the information currently on file.

A copy of this correspondence is being forwarded to your State E-Rate Coordinator for informational purposes only.

Thank you for cooperation and continued support of the Universal Service Program.

Sincerely,

Loren Messina
Schools And Libraries Division
Program Integrity Assurance
Phone: 973-884-8336
Fax: 973-599-6522
Email: lmessin@sl.universalservice.org

Morley Stanwood Community Schools
4700 Northland Drive
Morley, MI 49336

1. Point of Contact:
Steve Gilbert
4700 Northland Drive
Morley, MI 49336
231-856-4444 x 315
FAX 231-856-4180
sgilbert@mscs.dhs.org

2. This is an Appeal to Funding Commitment Decision Letter Dated June 9, 2003
Funding year 2003: 7/01/2003 - 6/30/2004

Applicant Name: Morley Stanwood Comm Sch Dist.
471 Form Number: 378662
Billed Entity Number: 131496

3. FRN1044741 17 Telephone lines are included in the cost for the whole District. This is for Long Distance service.

4. FRN 1044957: not sufficient documentation to determine eligibility of this item.
On the original Contract signed on 2/3/2003 for Internet services with SBC the rates were shown as \$1985 per month and the 471 was submitted, on 2/16/2003 the vendor came back and had us resign the contract because of an error in their calculations and the services required and that contract was for a lesser amount \$1865.10 per month. That is also why the date of the contract is showing as after the 471 Form was submitted. The attachments sent to your office on the were the corrected contract showing the accurate amount.

Form 470 Application number 772450000439265 was certified and sent in after filling out the form online a copy of the form is attached with this letter.

The discounted rates of Stanwood Elementary and Morley-Stanwood Middle School are what we claimed. Attached is a copy of the form the Food Service Manager Submitted to the State of Michigan in November of 2002 the month the data was data to calculate the percentages.

Stanwood Elementary : 276
Free or Reduced Lunch: 148

Morley Stanwood Middle School: 523
Free or Reduced Lunch: 251



EXHIBIT 4

11/14/04 NO 63921

USAC**Universal Service Administrative Company**
Schools & Libraries Division**FORM 471 RECEIPT ACKNOWLEDGMENT LETTER**
(Funding Year 2003: 07/01/2003 - 06/30/2004)

March 18, 2003

MORLEY-STANWOOD COMM SCH DIST
STEVEN GILBERT
4700 NORTHLAND DR
MORLEY, MI 49336-9522Re: Form 471 Application Number: 378662
Funding Year 2003: 07/01/2003 - 06/30/2004
Applicant's Form Identifier: 4700301
Billed Entity Number: 131496

NOTICE: This notification is an acknowledgment of RECEIPT and SUCCESSFUL DATA ENTRY of your FCC Form 471, Services Ordered and Certification Form, reflecting \$41,920.00 in total program year pre-discount costs for services. This letter confirms that the Form 471 and signed or electronically certified Form 471 Certification have been received.

NOTE: Item 25 on the Form 471 is a certification that you have secured access to the resources necessary to pay for (1) the non-discounted portion of the costs for eligible services within the funding year as well as (2) the ineligible products and services to make effective use of the eligible services you have requested. "Secured access" means that you can show that these funds are, or will be, part of your annual budget; or, if you are obtaining the funds from an outside source, that these funds have been promised to you. IF YOU OBTAIN THESE FUNDS FROM AN OUTSIDE SOURCE, THE FUNDS MUST NOT COME DIRECTLY OR INDIRECTLY FROM YOUR SERVICE PROVIDER(S). YOUR SERVICE PROVIDER(S) MAY NOT WAIVE THE NON-DISCOUNTED PORTION OF THE COSTS.

This letter does NOT contain any decisions concerning your requests for discounts. Note, however, the three-week response deadline described below.

Please keep this letter for your records. The Form 471 Application Number cited above is critical for you to link your application to future Schools and Libraries Division (SLD) communications.

Please be advised that the last of your Form 471 application materials identified above was postmarked or received by the SLD on 02/06/2003 and successfully entered into our data system. SLD's Program Integrity Assurance (PIA) Team will now review your application for compliance with program rules. Once the review of your application has been completed, you will receive one or more Funding Commitment Decision Letters (FCDL) to inform you of the disposition of your application. Until you receive an FCDL from the SLD, you cannot assume that you will receive the discounts for which you are applying.

Your application will be considered within the Form 471 application filing window wherein all applications that meet the Minimum Processing Standards are treated as though they were received on the same day.

HOW TO USE THIS 471 RECEIPT ACKNOWLEDGMENT LETTER (RAL) TO CORRECT INFORMATION ON YOUR FORM 471 (ACT WITHIN 3 WEEKS!)

If you find data entry errors on this letter, or you previously identified errors on your Form 471, these can be corrected using this Form 471 RAL. Examples of the errors

Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, New Jersey, 07981
Visit us online at: www.sl.universalservice.org

EXHIBIT 5

----- 45 [TX/RX NO 6392]

26

that can be corrected are:

CORRECTIONS TO BLOCK 1 INFORMATION: You may correct Block 1 items such as the applicant's e-mail address, contact person's name, street address, etc.

REDUCTIONS TO BLOCK 5 FUNDING REQUESTS: You may request reductions to Block 5 Funding Requests except for those that would increase your discount percentage due to a change in recipients of that Block 5 service. You may wish to reduce requests if you:

- will not be able to make use of services for which you requested Funding Year 2003 discounts, or
- based your Funding Year 2003 funding request(s) for tariffed or month-to-month service on a projected rate increase that is now known to be much smaller than expected.

CANCELLATIONS OF BLOCK 5 FUNDING REQUESTS: You may wish to request to cancel Block 5 Funding Requests if you:

- duplicated pending requests in Forms 471 where you had not received an FCDL before the close of the Form 471 application filing window, or
- will not be able to make use of services for which you requested Funding Year 2003 discounts.

The SLD encourages applicants who know that they will not use all of the amounts requested to notify the SLD of an appropriate reduction to or cancellation of these Funding Requests. This action would allow the SLD to distribute the amounts that are available for the funding year more effectively.

CORRECTION OF AN INCORRECT SPIN (Service Provider Identification Number):

Corrective SPIN Changes are allowed. These include corrections because:

- there was a data entry error, or
- the company has merged with or been acquired by another company.

Requests to change service providers for other reasons cannot be accommodated through the RAL Correction Process.

UNBUNDLING AN FRN: You may request to "split" or "unbundle" incorrectly combined FRNs with two or more services from different service providers (for example, local phone service from one company and long distance service from another), or from different eligible service categories (such as Internal Connections and Internet Access).

NOTE: The total dollar amount represented by the newly divided FRNs must not exceed the amount you requested for the original combined FRN. On the photocopy of your RAL, cross out the original bundled FRN, then write in the SPIN, Service Provider Name, Services Ordered category, Total Program Year Pre-Discount dollar Amount, and Discount for each distinct service you have now "unbundled," making sure that the total dollars requested add up to no more than the ORIGINAL request.

To notify us of the allowable corrections you wish to make, please note that the SLD must receive these corrections within three weeks of the date of this letter. Follow these simple steps to make corrections:

1. Photocopy your RAL.
2. Draw a line through each incorrect item, and mark clearly next to it what the correct information should be.
3. Please write the name of the contact person and the contact person's e-mail address, fax number, or telephone number on the first page of the RAL copy that will be sent to the SLD so that we can contact you if we have questions about your requested changes.
4. Make a photocopy of your marked-up letter to keep for your files.
5. Send your marked-up letter to arrive within three weeks of the date of this RAL. Corrections may also be filed electronically, either by e-mail or by fax. Requests submitted by e-mail or fax will be considered filed on a business day if they are received at the SLD at any time up to 12:00 a.m. (midnight) ET. Requests received after that time will be considered received on the next business day.

Send your marked-up letter by US Postal Service or other carrier to:

Data Entry Corrections
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

Send your marked-up letter by e-mail to:

sldcorrespondenceunit@sl.universalservice.org.

To be filed by e-mail, your marked-up letter should be scanned (TIF file format is preferred). Total file size of the e-mail message must be limited to less than 10 Megabytes. The SLD will automatically reply to incoming e-mails to confirm receipt.

Send your marked-up letter by fax to:

(973) 599-6526

6. Allowable corrections received in a timely fashion will be reflected in your FCDL. We will not make corrections that do not fall into the categories defined as allowable corrections above. Please note that, except for the automated e-mail response, the SLD will not advise you that we have received your "change request."
7. Please notify your service provider of any corrections to the RAL that you submit to the SLD. Your service provider has also received a copy of the original RAL letter. This correction will help your service provider keep your records updated.

EXPLANATION OF LINE ITEM INFORMATION

Certain information from each Block 5 of Form 471 Application Number 378662 that passed Minimum Processing Standards and that could be entered into our data system is shown below. There are six important components of information shown for each Block 5:

1. ERN (Funding Request Number): The unique number assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.
2. SPIN (Service Provider Identification Number): The unique number assigned by USAC to the service provider you identified as providing the service included in this ERN.
3. Service Provider Name: The name of the service provider that you identified as providing the service included in this ERN.
4. Category of Service: The type of service for which you have requested discounts in each Block 5 funding request. The categories of services are: Telecommunications Services (Telc Svc); Internet Access (Inet Acc); Internal Connections (Intr Con).
5. Pre-discount Dollar Amount: The total annual pre-discount cost for each ERN. This amount is taken from Block 5, Item 23I.
6. Discount Percentage: The discount percentage from Block 5, Item 23J.

If you would like to view additional funding request data, click the "Data Requests" button on the SLD web site at www.sl.universalservice.org and follow the instructions provided. If you would like to view your entire Form 471 application, click the "Display" button in the Apply Online & View Forms area of the SLD web site and enter your Form 471 Application Number and Security Code.

MISSING ERNs

If information about a particular ERN is not included in the itemized list of Block 5 ERNs set forth above, this is because the ERN did not pass Minimum Processing Standards. If this is the case, you will receive a separate letter from the SLD informing you that these ERNs have been rejected, with an explanation of the reason for rejection. If you believe that there were ERNs included in your Form 471 that are not listed in this letter AND you do not receive a letter informing you that those ERNs are rejected, please write to us at the address listed at the bottom of this letter. See also "QUESTIONS ABOUT THIS LETTER" below.

Please note that the SLD Client Service Bureau may not have the information necessary to respond to your inquiry; therefore, your letter should be sent to the New Jersey address featured below.

FUTURE CONTACTS WITH PIA

It may be important for us to contact you as our PIA (Program Integrity Assurance) Team reviews the funding requests contained in your Form 471. Our requests for clarification and/or additional documentation will require a prompt response. The due date for such responses will be established at the time that the PIA Team contacts you. Please make sure that the contact person on your application is available to speak with the PIA Team, or that a surrogate is available. In addition, you should monitor on a daily basis the fax and e-mail locations that you may have cited in your Form 471 for the applicant and for the contact person for the applicant.

COMMUNICATIONS WITH YOUR SERVICE PROVIDERS

The SLD is also sharing this FRN information with service providers whose SPINs are listed on Form 471 applications. This information is provided so that service providers can undertake the preparatory steps of identifying their potential customers for whom discounts may be issued. NO DISCOUNTS will be provided until after:

- the SLD issues the Funding Commitment Decision Letter for a particular application; AND
- technology plans, if applicable, have been approved; AND
- the applicant submits a Form 486 with a valid service start date.

The SLD encourages Form 471 applicants to contact their service providers to inform the service providers of the funding requests submitted to the SLD. Service providers may request additional information concerning the specific services contained within each funding request in order to facilitate discounted billing. Applicants are encouraged to share this information with service providers in order for the service providers to begin the preparatory billing steps.

QUESTIONS ABOUT THIS LETTER

If you have any questions regarding the above information, please write to us at:

SLD
Box 125-Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07961

Schools and Libraries Division
Universal Service Administrative Company

JAN-29-2004 08:05AM TO-15174940081

FROM-MORLEY STANWOOD COMMUNITY

T-993 P.029/038 F-091

ERN: 1044741
SPIN: 143005695 Service Provider Name: Sprint Communications Company L.P.
Category of Services: Telc Svc(s)
Pre-discount Dollar Amount: \$15,600.00
Discount Percentage: 74%

ERN: 1044957
SPIN: 143001727 Service Provider Name: Ameritech-Michigan (aka Michigan Bell Te
Category of Services: Inet Acc(s)
Pre-discount Dollar Amount: \$26,320.00
Discount Percentage: 74%
